

In the past, feed manufacturing has been a highly seasonal operation. There are four main reasons for this: (1) feed has always been manufactured after orders from the customer have been received in order to insure a fresh and a palatable product since feed does not lend itself to long storage in a warehouse, (2) nearly all young livestock and poultry are born or hatched in the spring, (3) farmers utilize a maximum of home grown forage during the summer in the form of pasture, and (4) most farms are diversified crop and livestock operations, which means that livestock numbers are at their lowest during the early summer months so as not to interfere with the planting season, hay making, and grain harvest.³² Today, however, none of the above conditions hold true. Feed production today is a steady, year around process with no seasonal let up in production. With specialization and consequent concentration of large numbers of animals on the farm, feed demands are constant all year.

One other aspect of feed production should be considered, and that is the cost breakdown. Feed manufacturing costs are the third most important part of total feed costs. Raw materials will account for 65 to 75 per cent of the cost and manufacturing costs will account for approximately six to ten per cent of the total cost³³ (See Table 3).

³² Ibid.

³³ Ibid., p. 13.

TABLE 3
BREAKDOWN OF COSTS OF COMMERCIAL
FORMULA FEEDS^a

| Cost Item | Estimated Per Cent of Total Cost |
|-----------------------------|----------------------------------|
| Ingredients | 65 - 75 |
| Freight | 10 - 20 |
| Manufacturing | 6 - 10 |
| Sales | 5 - 10 |
| Administration and Research | 3 - 6 |
| Gross Margin | 3 - 8 |

^aDr. Robert W. Schoeff and Richard J. Baker, The Formula Feed Industry: Past-Present-Future (Manhattan, Kansas: Formula Feeds Extension, Kansas State University, Unpublished Report, 1962), p. 17.

Recent Developments

Feed manufacturing grows more important each year. In a recent survey, Feed Bag contacted the active feed manufacturers who are members of the American Feed Manufacturers Association. The replies indicated that these manufacturers produced 28,528,000 tons of feed. This figure represents over 60 per cent of all feed claimed to be manufactured in the United States.³⁴

Of the tonnage reported by members of the association, about 50 per cent of feed manufactured was poultry feeds, 19 per cent was dairy feeds, 16 per cent was swine feeds, 11 per cent was beef and sheep feeds, and 4 per cent was classified as special feeds.³⁵

³⁴Bruce W. Smith (ed.), Feed Bag Redbook (Milwaukee: Editorial Service Company, Inc., 1968), p. 161.

³⁵Ibid.

Changes in feed consumption have accounted for some of the changes in the formula feed manufacturing industry since its inception at the turn of the last century. Reference to Tables 4 and 5 will show that consumption of feed by livestock and poultry in the United States, increased approximately 37 per cent from 1940 to 1966. This figure includes all feed, not just commercially manufactured feed. During this time, the share of the total feed consumed by beef cattle (not just commercial feed) increased from 22 to 44 per cent. The percentages of feed consumed by other classes of livestock decline in this same period. The main point for the formula feed industry is that while total feed consumption rose, commercially manufactured feed concentrates increased in relative importance and pasture (home feed) decreased in relative importance. Of the total quantity of feed fed in 1966, concentrates made up about 4 per cent, harvested roughages 19 per cent, and pasture 34 per cent. The figures for 1940, were: 40 per cent, 20 per cent, and 40 per cent, respectively.³⁶

The demand for livestock feeds is derived from the demand for livestock and livestock products. The total consumption of all livestock products has risen over the years with increasing population and changes in per-capita consumption. For example, per-capita consumption of beef and veal has risen while per-capita consumption of lamb, mutton, and pork has fallen. Consumption of meat per-capita has increased steadily in the last three decades and now amounts to nearly 20 per cent of total per-capita consumption. Per-capita consumption

³⁶Bruce W. Smith (ed.), "How the Feed Industry Has Grown and Aged in Recent Decades." Feed Bag, 44:16 (June, 1968).

of eggs and dairy products as a group has declined.³⁷

TABLE 4

FEED CONSUMED BY LIVESTOCK AND POULTRY
UNITED STATES FEEDING YEARS
(BEGINNING OCTOBER 1)
1940 and 1966^a

| Feed Materials | Feed Consumption | | % change 1940-1966 |
|---------------------|------------------|------------|-----------------------|
| | 1940 | 1966 | |
| | 1,000 tons | 1,000 tons | per cent |
| Corn | 59,852 | 92,727 | 55 |
| Other Feed Grains | 26,271 | 35,474 | 35 |
| By-Product Feeds | 18,568 | 43,670 | 135 |
| Seeds and Skim Milk | 6,304 | 1,121 | -82 |
| Total Concentrates | 110,995 | 172,992 | 56 |
| All Hay | 37,889 | 49,869 | 32 |
| Other Roughages | 16,931 | 21,323 | 26 |
| Pasture | 105,833 | 127,973 | 21 |
| Total Roughages | 160,663 | 199,165 | 24 |
| Total All Feeds | 271,658 | 372,157 | 37 |

E. F. Hodges, Consumption of Feed By Livestock, 1940-1959, Production Research Report No. 79, United States Department of Agriculture, 1964, p. 7.

³⁷ Ibid.

TABLE 5

PERCENTAGE OF TOTAL FEED CONSUMED BY VARIOUS KINDS
OF LIVESTOCK AND POULTRY UNITED STATES
FEEDING YEARS (BEGINNING OCTOBER 1)
1940 and 1966^a

| Kind of Livestock | Percentage of total feed consumed | |
|---------------------------|-----------------------------------|-------|
| | 1940 | 1966 |
| Dairy Cattle | 29.8 | 22.4 |
| Beef Cattle | 22.0 | 43.7 |
| Sheep and Goats | 8.6 | 2.8 |
| Poultry | 9.0 | 11.7 |
| Hogs | 16.7 | 15.0 |
| Horses and Mules | 12.6 | 1.9 |
| Other Livestock | 1.3 | 2.5 |
| All Livestock and Poultry | 100.0 | 100.0 |

^a R. D. Jennings, Consumption of Feed by Livestock, 1909-1956, Production Research Report No. 21, United States Department of Agriculture, 1958.

These shifts in consumer preference have a decided impact upon the feed industry. Much of the production of poultry is closely coordinated with hatcheries, poultry processing firms, and regionally and nationally identified feed companies. These firms are interrelated in a variety of ways. Nearly all broilers produced in the United States today, for example, now are produced under some integrated or contractual agreement with the feed industry. One example of this broiler-feed industry

integration may be found on the Delmarva Peninsula.³⁸ Another example.

of integration involving swine is described in Farmer in a Business Suit, which is the study by two Harvard Professors based on a composite or typical experiences of a hypothetical farm family from 1880 to the 1950's and the solution to their marketing and production problems.³⁹

In fact, as the above references and others will indicate, vertical integration of industries within the formula feed industry is one of the more important changes taking place within the feed industry in the present century. The formula feed industry played a major role in developing the Broiler industry into a three billion dollar annual enterprise.⁴⁰ This type of integration is characterized by one firm controlling all or nearly all steps in the production process. Thus, in the case of the broiler industry, feed companies own hatcheries, feed mill, retail feed store, and other aspects of the entire operation or combinations thereof.

Recently, this integration has expanded into commercial turkey production. Perhaps as high as 90 per cent of the turkeys grown in the United States are fed under some form of extended credit programs

³⁸ Washington College, Vertical Integration in the Broiler Industry on the Delmarva Peninsula and its Effects on Small Business, Small Business Management Research Reports, (Washington: Small Business Administration, 1960).

³⁹ John Davis and Kenneth Hinshaw, Farmer in a Business Suit (New York: Simon and Schuster, 1957).

⁴⁰ Schoeff and Baker, op. cit., p. 7.

supported and/or backed by a feed or processing company.⁴¹

Structural changes have occurred within the industry also in recent years. Before World War I, the commercial feed industry was small, concerned mostly with moving surplus feed of the flour-milling industry. Only after much nutritional research, noted at the beginning of this chapter, did the value of formula rations become generally evident to livestock feeders. Other changes in livestock technology began to provide a growing market for mixed rations containing minerals, vitamins, antibiotics, and various other micro-ingredients.

Since World War II, the growth of the formula feed industry has been phenomenal and especially rapid (See Table 2). From 1950 to 1965, it is estimated that the percentage of the four principal feed grains moving through commercial channels increased from 40 to 60 per cent. If by-product feeds are included, about 70 per cent of all concentrates moved in commercial channels in 1965.⁴² It is further estimated that perhaps two-thirds of all concentrates moving in commercial channels entered formula feed rations or mixed concentrates.⁴³

Growth of the industry has been especially rapid since 1939 (See Table 2). Reference to Tables 6 and 7 will show that the value of shipment of prepared animal feeds in 1963 was nearly 10 times as much as in 1933. The number of firms has increased only slightly since 1954, yet in 1963 the average value of shipments was \$70,164, compared with \$38,298 in 1947. The higher ratio of technical, administrative, and field-contact personnel to in-plant production workers reflects the more

⁴¹Bruce W. Smith, Feed Bag, op. cit., p. 16.

⁴²Ibid.

⁴³Ibid.

pecialized needs of farmers being served today. In 1958, 66 per cent of all employees were classified as production employees while in 1963, the percentage had declined to 63 per cent. The total number of employees has also declined.⁴⁴

Employee productivity, measured by value of shipments, has increased about five per cent a year since 1954. One of the problems feed companies face is automation, which has come rapidly and with many innovations. The Fairbury plant of Honeggers' & Co., Inc., for example, was one of the very few top plants for automatic controls when it was built in 1949, 1950. It was since dropped from the top of the list, although the management of Honeggers' & Co., Inc. has kept the plant automated on a better-than-average level. Not only have inplant flow-of-material systems changed, but some of the industries these systems were built to serve have moved to other areas of surplus rural labor and lower production costs.

TABLE 6

PREPARED ANIMAL FEEDS INDUSTRY: NUMBER OF FIRMS
EMPLOYEES VALUE ADDED AND VALUE
OF SHIPMENTS UNITED STATES
SELECTED CENSUS YEARS^a

| Year | Number of Firms (number) | Employees | | Value Added \$1000 | Value Shipments \$1000 |
|------|--------------------------------|-------------------|------------------------|--------------------------|------------------------------|
| | | Total (number) | Production (number) | | |
| 1935 | 942 | 15,427 | 11,606 | 58,040 | 288,662 |
| 1939 | 1,383 | 24,177 | 15,401 | 99,240 | 401,880 |
| 1947 | 2,688 | 55,152 | 40,115 | 393,049 | 2,112,241 |
| 1954 | 2,292 | 59,890 | 41,290 | 584,135 | 2,702,267 |
| 1958 | 2,379 | 57,313 | 38,010 | 798,892 | 3,238,414 |
| 1963 | 2,587 | 55,061 | 34,853 | 919,604 | 3,863,320 |

^a Bureau of the Census, Census of Manufacturers, Prepared Animal Feeds, 1965.

⁴⁴ Ibid., p. 17.

From 1958 to 1963, the number of feed companies increased nine per cent from 2,379 firms to 2,587; however, firms with 20 or more employees declined in the Northeast, Middle Atlantic, and South Atlantic states while in other regions the number of firms employing more than 20 workers increased⁴⁵ (See Table 7). Some of the decline in firms can be attributed to mergers or other consolidations, but the changes also reflect a shift in areas of concentrated poultry and livestock production. Increased emphasis on feeding of poultry and fattening of cattle south and west of the Corn Belt has encouraged more feed manufacturing capacity in these areas. Also, many local grain-elevator operators expanded sources of revenue by offering complete milling and grainbank services to farmers of the area.

TABLE 7
PREPARED ANIMAL FEEDS INDUSTRY
NUMBER OF FIRMS BY REGIONS
UNITED STATES
1958 and 1963^a

| Region | 1958 | | 1963 | | % Chang | |
|-----------------|--------------------|-------------------------------|--------------------|-------------------------------|---------|------------|
| | All Firms (number) | Employees 20 or more (number) | All Firms (number) | Employees 20 or more (number) | All | 20 or more |
| Northeast | 48 | 25 | 56 | 22 | 17 | -1 |
| Middle Atlantic | 254 | 86 | 257 | 66 | 1 | -2 |
| E. N. Central | 373 | 103 | 382 | 104 | 2 | |
| W. N. Central | 516 | 130 | 575 | 145 | 11 | 1 |
| South Atlantic | 353 | 116 | 405 | 104 | 15 | -1 |
| E. S. Central | 192 | 63 | 211 | 66 | 10 | |
| W. S. Central | 264 | 91 | 290 | 101 | 10 | 1 |
| Mountain | 115 | 28 | 142 | 30 | 23 | |
| Pacific | 264 | 73 | 269 | 73 | 2 | |
| Total U. S. | 2,379 | 715 | 2,587 | 711 | 9 | - |

^aBureau of the Census, Census of Manufacturers, Prepared Animal Feeds, 1965.

⁴⁵Ibid.

The shift of the feed manufacturing industry to the Southeast and the West, as seen in Table 7, is a noteworthy example of decentralization and orientation toward consumer demand. Early industry location was oriented toward flour mills, elevators, terminal markets, and free grain surplus areas. Feed mills located in terminal and other key positions in Pennsylvania, Ohio, Illinois, and in Missouri, mixed much of the formula feed consumed in the Northeastern and Southeastern states.⁴⁶

Factors mainly responsible for the trend toward decentralization of feed manufacturing plants today are: (1) demand for bulk feed services and growth of service competition, (2) changes in transportation methods and costs, and (3) growth of demand in new areas.⁴⁷ Each of these factors is, in turn, directly dependent on sufficient volume to gain economies of scale. According to Feed Bag Magazine, volume and production control both are needed if regional feed firms and concentrated producing areas are to remain competitive and fully able to exploit marginal profit opportunities.

The earlier demand for manufactured feeds on the part of milk and poultry producers was widely diffused. Much of the new demand has a high geographic density and is generated by cattle feeding lots, feed mills, poultry processing plants, individual farmers under some form of contractual or integration type of agreement, and others operating in more specialized areas.

Although feed manufacturing firms are now larger, they are only slightly fewer in number than formerly. And there has been a decrease in

⁴⁶Ibid., p. 19.

⁴⁷Ibid.

the share of the market in the hands of the leading firms." In the mid-1930's, the four largest feed companies accounted for nearly 25 per cent of the feed industry shipments. Twenty years later, the four largest accounted for 21 per cent and the 20 largest feed companies represented only 43 per cent of the industry's value of shipments.⁴⁸

By 1964, the estimated share of the four largest firms had declined further to 17 per cent of the industry sales and the 20 largest firms shared slightly less than 31 per cent of the total reported sales.⁴⁹

With this background on the formula feed industry, the author would now turn to an individual firm within the formula feed industry and trace its growth and relate the general findings above to the specific experiences of this firm, Honeggers' & Co., Inc.

⁴⁸Ibid.

⁴⁹Ibid.

CHAPTER III

HONEGGERS' & CO., INC.

Historical Background

The Honegger story in the United States began in 1867, the year in which Jacob and Magdalena (Meyer) Honegger emigrated from the family home in Switzerland, to the United States. Six year old Edward, the third of eight children, accompanied his parents on the trip across the ocean. The family settled near relatives and friends on a 160-acre farm in Livingston County, Illinois, approximately three miles south of the village of Forrest. Young Edward Honegger grew up on this farm, and after his marriage in 1887 to the former Bertha Haab, began to farm the ground in his own right as a tenant. Edward later purchased this farm about 1900.¹ This 160-acre family farm today forms the core of the 600-acre Honegger Research Farm.

To Edward and Bertha Honegger were born fourteen children, of whom eleven are still living. It is Farnk Honegger, the twelfth child, and Sam Honegger, the fourteenth child, that are of importance to this thesis. The two boys grew to manhood on this farm as their father had done.

The first event in a series of events that was the beginning of the Honegger business of today was the death of Edward Honegger, the

¹Anna Honegger, "Family and Company Scrapbook," Unpublished Family Records, 1942-1968.

father, in 1925. Twenty-five year old ~~Frank and~~ ²
farming the family farm in partnership the following year.

The second event in the founding of the Honegger enterprises was the purchase in 1926-27 of a small dairy herd. Similar to most mixed farm operations of that age, the farm livestock were fed on home-grown grains and roughages, consisting mainly of corn, oats, hay, oat straw, and wheat straw. An serious feed mixing was done by the farmer from his own grain supply by intuition and guess.

The third event was the meeting of the Honegger brothers with Jerry Andrews, a field man for the Farm Bureau Farm Management Service, a pioneer service at that time. Sam Honegger said, "He convinced us that there was more money in chickens than anything else on the farm for the investment." This led to an interest in feed for both the chickens and the dairy herd. The two Honegger brothers were innovators and they tried various combinations of feed in order to obtain better egg and milk production. Their feed mixing was a laborious hand process. Rumors of a new hammer mill that outperformed the current burr mills reached the brothers.

Thus in 1928 the fourth event in the founding of the Honegger enterprises occurred. In that year, Sam and Frank Honegger borrowed their brother's car and drove to the Illinois State Fair in Springfield, Illinois, where they purchased one of the new types of hammer mills.³

²
Ibid.

³
Honeggers' & Co., Inc., Feed, Farm Buildings and Equipment Division, The History of Honeggers' & Co., Inc., unpublished pamphlet, 1958, p. 1.

When the brothers began to obtain significant production increases from the rations mixed in this new mill, nearby neighbors gradually overcame their skepticism and began to drop by to get feed ground and mixed for their own livestock. As Frank Honegger said,

We bought it [the hammer mill] for our own dairy herd, at the time. As time went on we saw we could make those dairy cows produce twice as much with the right kind of a balance ration. That encouraged us . . . and our neighbors. We did quite a bit of custom grinding for a few years. A year or two down the road and we had a little supplement we mixed with it. After we got tired of making feed with a scoop shovel, we made a homemade feed mixer.⁴

The mixing, at first was accomplished by hand with two Number 14 scoop shovels.⁵ The mixer that the two brothers made was a large horizontal drum built on the order of a churn. It was two solid wheels on an axle with double-inch boards on the outside and tin around covering that. It had a small door that opened up for filling and unloading. The drive was a couple of rear ends from Hudson cars.⁶

Documentation for the decade of the 1930's no longer exists. These records were destroyed because of space limitations for storage. However, business increased during the decade to the extent that by 1942 the old farm mill on the family farm, built in 1938, would no longer supply the expanding demand for feed. Consequently, feed milling equipment was

⁴Interview with Sam Honegger and Frank Honegger, members of the Board of Directors, Honeggers' & Company, Inc., and co-founders of the company, December 10, 1968.

⁵Honeggers' & Co., Inc., Annual Reports, Year Ending June 30, 1960, p. 8.

⁶Interview with Sam Honegger and Frank Honegger, members of the Board of Directors, Honeggers' & Co., Inc., and co-founders of the company, December 10, 1968.

five miles west of Forrest. This new site was located across the Toledo, Peoria, and Western Railroad tracks from the old Churchill elevator on the corner of First and Locust streets which was also purchased by the Honegger firm. The two installations combined to make what was then a reasonably modern feed manufacturing plant.⁷

The decision to move operations to Fairbury was based on a combination of necessity and convenience. The grain elevator was already wired for electricity whereas the farm operation was not. Also the grain elevator made use of gravity ducts. Both of these features would reduce the amount of hand labor required for the operation.

Another factor to influence of the decision to move operations to Fairbury was the manpower shortage due to the Second World War, and thus related to the factors mentioned above. Location next to the Toledo, Peoria, and Western Railroad with siding facilities, offered yet another reason for the move from Forrest. Finally, the war-time demand for feed placed demands upon the mill in Forrest that could not be met by those facilities.⁸

Just before this move to Fairbury, the Honegger brothers were among the first in central Illinois to begin keeping accurate records [which, as mentioned earlier, do not exist any longer as they were destroyed for lack of storage] in a farm accounting association sponsored jointly by

⁷ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1960, p. 8.

⁸ "Plan to Use Less Manpower in Honegger Feed Mill," The Fairbury Blade, col. 7, p. 1, (January 22, 1943).

Illinois Farm Bureau and the University of Illinois. These chickens were kept at the suggestion of Jerry Andrews, who is also credited with having interested the Honeggers in chickens.

The Honegger brothers at that time had little regard for chickens, but Andrews proved to the Honeggers that their 101 chickens were producing more return for the feed and labor invested than any other livestock on the farm. With this information the Honeggers established, in 1937, the hatchery business at the farm which is now international in scope. This business is administered by a separate corporation, Honegger Farms, Inc., which split off from the parent company effective June 30, 1953.⁹

In 1942, a third partner, Ben A. Roth, was added to the Honegger firm. Roth became, eventually, the first of three professional managers to guide the firm, serving with Honeggers' & Co., Inc., until his resignation in 1953. It is significant to note here, that although the company was first a family-owned corporation, and since 1957, public, the company has been professionally managed since 1942.¹⁰

Due to the location in the heart of the grain-belt, the war-time demands for feed, and the resourcefulness of the firm in procuring high-protein ingredients, Honeggers' & Co., Inc., operated at near peak capacity during the Second World War when other companies were having

⁹Honeggers' & Co., Inc., Corporate Minutes, II, 1952-1953.

¹⁰Interview with Gordon D. Honegger, son of Sam R. Honegger, July 24, 1968

difficulty in doing so because they could not obtain the necessary ingredients. Also because of war-time demands, the company was able to establish a sizeable market in the Eastern region of the United States, a market which was to prove invaluable to the company in the immediate post-war years.

The Eastern seaboard region did not have feed mills and in the post-war era, demands for commercial feeds made this market one of several factors which firmly established the Honegger Company on a profitable basis.¹¹ In other words, the post war boom and Honegger's early penetration of the Eastern seaboard region, helped to build the company.

Another factor that helped to build the Honegger firm was a railroad practice called "milling in transit," whereby raw ingredients shipped to the company and the finished feed shipped out are charged as one shipment instead of two, a practice which resulted in substantial savings for any feed company.¹²

A third factor to give impetus to company growth was the acquisition of two large sums of money acquired from two sources: (1) the change from a family-owned to a public-owned corporation in 1957, and (2) the securing of two large and long term loans from two insurance companies in the early 1960's.¹³

¹¹Ibid.

¹²Ibid.

¹³Ibid.

Honeggers was incorporated in Illinois as Honeggers' & Co., Inc. in 1946 at the close of the Second World War, just in time for their first major crisis.¹⁴ Feed manufacturing operations at the Fairbury mill were severely hampered by an eighteen-month strike of the Toledo, Peoria, and Western Railroad. This railroad runs east and west through Fairbury. Since the Wabash, now the Norfolk and Western runs north and south through Forrest and did not go out on strike, the solution, until the end of the strike, was to ship both raw ingredients and the finished feed via the Wabash railroad out of Forrest and to truck the ingredients and feeds between Fairbury and Forrest.¹⁵

This railroad strike was the prime factor in causing Honeggers' to establish a branch mill for manufacturing feed at Mansfield, Ohio, in 1946. This mill, known as the Honegger-Hanley Mill, was a converted flour mill, set up primarily to service Honegger dealers on the East coast.¹⁶ The plant was in operation for 10 years. Honeggers' closed the plant in November of 1956 because the plant improvements at the Fairbury mill made it possible for the Eastern dealers to be serviced more efficiently and profitably from the plant in Fairbury.¹⁷

On January 1, 1949, E. F. Dickey joined the Honegger staff. By 1958, Dickey had become President and General Manager of Honeggers' & Co.,

¹⁴Honeggers' & Co., Inc., Corporate Minutes, I, 1946-1951.

¹⁵Honeggers' & Co., Inc., Corporate Minutes, III, 1954-1956.

¹⁶Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., op. cit., p. 4.

¹⁷Ibid.

Inc. Dickey was the second of the three ~~partnerships~~ ~~in the~~ company. Dickey made two main contributions to Honeggers, and to the feed industry when he (1) worked diligently to establish county feed clubs intended to improve the image of mixed feed dealers and salesmen,¹⁸ and (2) when he envisioned the decentralization movement of the feed industry and consequently worked toward the establishment of subsidiary or associate mills franchised to sell Honegger feeds.¹⁹ The first Honegger associate-mill was established near Greencastle, Indiana, in 1960. Under this associate mill program, the local dealer owned the mill and was franchised to produce and sell Honegger feeds from basic Honegger ingredients supplemented by local supplies of grain, soy bean meal, and other desired items.²⁰

In February of 1949 a new crisis arose. A spectacular fire, the first of several to plague the Honegger operations, completely destroyed the Fairbury mill complex. The loss, amounting to approximately 160,000 dollars, was well covered by insurance, but it left the immense problem of service for the Honegger dealers.²¹ However, within three

¹⁸ During the 1950's, many unscrupulous individuals had given feed dealers and salesmen a bad name by selling inferior or misrepresented products.

¹⁹ Interview with Mrs. E. F. Dickey, wife of E. F. Dickey (deceased) former President and General Manager of Honeggers' & Co., Inc., June 27, 1969.

²⁰ "Ross River Mill Holds Grand Opening," Jackson Sentinel (Maquoketa, Iowa), cols. 7-8, p. 1 (June 20, 1963).

²¹ Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., op. cit., p. 4.

Honeggers' "Big H" feeds were again moving to Honegger dealers. The small mill was renovated and operated on a twenty-four hour per day basis, turning out nearly 100 tons of feed daily, again without the benefit of a railroad siding.²²

The decision to rebuild at all hung in the balance for some time; but, partly as the result of the offer of some of the businessmen of Fairbury to sell to the Honegger firm, land just west of the village at a "Y" intersection of the Toledo, Peoria, and Western Railroad and the Wabash Railroad, the decision was favorable for rebuilding.²³

A great deal of planning and study went into the building of the new Fairbury mill. Honegger executives visited every major feed plant on record built in the previous 10 years. The new mill had a main warehouse 125 feet by 175 feet, and 12 80-foot silos with a bulk storage capacity of over 100 railroad cars of ingredients.²⁴ Two completely new and inter-related features, since copied in nearly all new high production plants, were introduced to the feed industry in this new mill. One feature was the Honegger copyrighted "Precision Process," which is an electronically-controlled push-button panel to control nearly all operations, and the other feature was the batch-mixing capacity of 30 tons per hour with a

²² Ibid.

²³ "Building Plans Still Unknown at Honeggers," The Fairbury Blade, cols. 3-6, p. 1, (March 4, 1949).

²⁴ "Honeggers to Erect \$400,000 Ultra Modern Feed Mill Here," The Fairbury Blade, cols. 7-8, p. 1, (June 17, 1949).

printed tape-recording of the amount of ingredients weighed into the product.²⁵ The first trucks backed into the loading dock at the new mill on Monday, December 19, 1949.²⁶ Reference to Table 8 indicates the production capacity of the Fairbury complex both before the 1949 fire and after the fire in the new complex.

Shortly after moving into the new Fairbury mill, the progressive-minded Honeggers took the lead in the Midwest in the introduction of 50-pound, double walled, disposable paper bags for the distribution of feed. This innovation was an improvement over the older fabric (burlap or cotton) bags which if not properly cleaned after each use, could and did spread disease. Honeggers was one of approximately 50 feed manufacturers in the United States to switch to the paper bags at that time.²⁷

As mentioned previously, Honeggers' & Co., was very much involved in the chicken hatchery business from 1937 until 1953. The chicken business was so profitable to the firm and required so much extra administrative time that a "spin-off" was effected June 30, 1953.²⁸

²⁵Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., op. cit., p. 5.

²⁶"Honegger Mill Begins Manufacturing Feed." The Fairbury Blade, cols. 1-2, p. 1, (December 22, 1949).

²⁷Kenneth D. Lozier, "Honeggers' Adopt 50-lb. Paper Feed Bags: Merchandising is Key in Product Packaging Protection, Efficiency in Handlin, Shipping, Storing, and Using," Grain & Feed Journals Consolidated, 105:32-34 (July 26, 1950).

²⁸Honeggers' & Co., Inc., Corporate Minutes, II, 1952-1953.

TABLE 8
MONTHLY AND ANNUAL PRODUCTION
OF THE FAIRBURY MILL
1947-1956^a

| Reporting Period (July 1 to June 30) | Production per Month (tons) | Annual Production (tons) |
|---|-----------------------------------|--------------------------------|
| 1947-1948 | 2,373 | 28,475 |
| 1948-1949 | 2,359 | 28,311 |
| 1949-1950 | 2,301 | 27,623 |
| 1950-1951 | 4,006 | 48,075 |
| 1951-1952 | 5,699 | 68,394 |
| 1952-1953 | 5,767 | 69,213 |
| 1953-1954 | 7,802 | 93,633 |
| 1954-1955 | 8,736 | 104,840 |
| 1955-1956 | 8,704 | 104,450 |

^aHoneggers' & Co., Inc., Stockholder's Report, September 17, 1956, p. 7.

The new and separate corporation formed from the parent corporation is known as Honegger Farms Co., Inc., and now does business with over 250 associate hatcheries (plan identical with the feed associate mills mentioned above) across the United States, and in Canada, Mexico, South America, Belgium, Holland, and Switzerland.²⁹ Honegger Farms Co., Inc.,

²⁹Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., . 8.

located their main offices in a building across Illinois Route 47 from the family farm south of Forrest. From the time of this 1953 "spin-off," Honeggers' & Co., Inc., continued to operate the feed manufacturing business from their main offices in downtown Fairbury.

The building for the Fairbury Offices of Honeggers' & Co., Inc., was originally built in 1925, and was formerly the Hotel Fairbury. This building was purchased in 1946, and is leased from Honegger House, Inc., a wholly owned subsidiary of Honeggers' & Co., Inc.³⁰ The restaurant, Honegger House, Inc., was purchased and leased to an operator in May of 1956.³¹ This purchase was made to facilitate the occasional changes necessary in the office quarters and to facilitate improvements in the entire building which was completely remodeled between 1956 and 1961.

In the meantime, feed sales had continued to rise and led to other expansion of the company in 1956. For three years, Honegger feed had been shipped across the Mississippi River into Iowa, at a tremendous cost. Freight zone differentials sharply increased the cost of shipments west of the river. It was for this reason that in January of 1956 Honeggers acquired the Felton Feed Mill at Indianola, Iowa, 20 miles south of Des Moines.³² A month later, on February 14, 1956, another major fire

³⁰ Honeggers' & Co., Inc., New Owners of Hotel Fairbury," The Fairbury Blade, col. 5, p. 1 (April 12, 1946).

³¹ Honeggers' & Co., Inc., Corporate Minutes, III, 1954-1956.

³² Honeggers' & Co., Inc., Corporate Minutes, III, 1954-1956.

stroyed much of that 53 year-old firm for a loss of about 175,000 dollars.³³ A 250,000 dollar mill was then built and in operation by the end of the year.³⁴

Prior to 1956, the company purchased prefabricated wooden farm buildings and resold them through its dealer organization. In May of 1956 another phase of Honegger expansion occurred when the company purchased the manufacturing facilities of Green Gables Builders, Inc., at Onawa, Iowa. This firm was, at that time, the world's largest builder of prefabricated, wooden farm buildings.³⁵

The Honegger interest in farm buildings dates back to the ideas of A. P. Loomis, a former employee at the Honegger Hatcheries, who was designing new types of brooder houses and other buildings. In 1951, a Fairbury contractor was licensed to fabricate and sell the new Honegger buildings under the trade name of Thuro-Built Products, Inc., and soon Honegger dealers swamped this new firm with orders.³⁶ Within a year or so, Honegger-designed hog houses, utility buildings, garages, and gates were added to the line of products. This part of the Honegger business was later reorganized under the Building and Equipment Division of the Company under the name, Thrive Center-Farm Systems by Honegger. This segment of the Honegger business was sold in July, 1968, to a Chicago firm, Tractor Supply Company, which had better facilities to exploit.

³³Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., p. 5.

³⁴Honeggers' & Co., Inc., Corporate Minutes, IV, 1956-1957.

³⁵Honeggers' & Co., Inc., Corporate Minutes, III, 1954-1956.

³⁶"Recall Early History of Honeggers' & Co., Inc.," The Fairbury Blade, cols. 2-3, p. 1, (July 30, 1953).

this business.³⁷ President Clarence S. Bell explained the reasons for the sale of this division:

There is excellent potential in the environmental control systems, but I do not believe Honeggers' can maximize this potential for four specific reasons . . . (1) SERVICE: they [T.S.C.] can provide service through their chain of farm supply stores, which are strategically located throughout our area of operations, (2) ERECTION: T.S.C. already has crews that are now erecting pole buildings, (3) MARKET PENETRATION: T.S.C. can get a great deal more market penetration through the use of their farm supply catalogue, which is distributed to practically every farmer in our market area, and (4) SEASONALITY: T.S.C. already has supplementary products to offset the seasonality of producing and erecting environmental control systems.³⁸

Since 1952 the Company has marketed a wide line of livestock and poultry equipment, medication, and specialty products designed for proper care and feeding as a management aid to farmers.³⁹ In continuation of this policy to furnish a complete service to animal agriculture, Honeggers' in 1957, purchased the Power Scoop Corporation and thereby was able to market some two dozen metal items of livestock and poultry equipment, such as poultry feeders, hog feeders, poultry nests, and bulk feed and grain bins.⁴⁰ This corporation is located in Taylorville, Illinois.

³⁷"Chicago Firm Plans Purchase of Honegger Building Division," The Fairbury Blade, cols. 2-4, p. 1, (June 27, 1968).

³⁸ Clarence S. Bell, "Letter to Honeggers' & Co., Inc., Employees," June 25, 1968.

³⁹ Honeggers' & Co., Inc., Historical & Statistical Analysis of the Company's Plants, People, Products, and Progress, with Financial Reports and Summaries, Unpublished report, November 15, 1961, p. 4.

⁴⁰ Ibid.